

LITIGATORS CORNER: A Modest Proposal



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Last month, in *The Hole and the Patch*, I talked about the disparities among the three main forms of intellectual property. On the one hand, protecting an invention requires a patent, which is subject to an examination that is usually lengthy and rigorous, but only erratically so, due to the problems in our Patent Office. On the other hand, copyrights and trade secrets require no examination; yet they offer remedies that are at least comparable to those of patent law, and in some respects, even better.

Not only do these three forms of protection differ in how they are obtained. There are substantive requirements for each form of protection, and those requirements are quite different, as well. An invention, to be patentable, must satisfy a number of tests. It must be useful, as required by 35 U.S.C. Section 101, which also requires that it be a "process, machine, manufacture, or composition of matter." It must be new, as required by 35 U.S.C. Section 102, and non-obvious, as required by 35 U.S.C. Section 103. There are requirements of form, as well. Under 35 U.S.C. Section 112, there must be a "written description" which "enables" the invention and which discloses the "best mode."

Trade secrets are substantially different. They need not be new: two people can have

the same trade secret, so long as each meets the requirements of the Uniform Trade Secrets Act. The subject matter of trade secrets is broader, too. A trade secret can be "technical or non-technical data, a formula, pattern, compilation, program, device, method technique, drawing, process, financial data, or list of actual or potential customers or suppliers." Nor is there any requirement that a trade secret be enabling, or that it constitute the best mode, or that it be non-obvious to a person of skill in the art.

Another difference is the duration of the protection offered by each form of intellectual property. The duration of a trade secret is unlimited: the formula for Coca-Cola is the usual example. While a copyright is not indefinite, it lasts much longer than a patent: a work created after January 1, 1978 lasts for the life of the author plus seventy years. Given current life expectancies, that means a copyright may have a life of one hundred to one hundred and fifty years. Patent protection, as we know, lasts only twenty years — not a bargain, considering all the hoops the inventor must jump through.

Novelty does not apply for a copyright, either. A copyright must be original because it must have an author. The degree of originality, however, is minimal. There is nothing like non-obviousness in copyright law. Originality does not mean novelty, "for it is plain beyond peradventure that anticipation as such cannot invalidate a copyright." *Sheldon v. Metro-Goldwyn Pictures Corp.*, 81 F.2d 49, 54 (2d. Cir. 1936). This difference between patents and copyrights was justified many years ago on the ground that a patent "monopoly" is stronger, because patent law prohibits even unintentional duplication, whereas copyright law does not. The presumption of the strength of the patent "monopoly," however, isn't what it was fifty or seventy-five years ago. In the past ten years, the Federal Circuit's decisions have substantially diminished an inventor's right to exclude others from practicing his invention by, for example, weakening the doctrine of equivalents to the point where many say it no longer exists.

Maybe it is time for another, or at least an additional, approach to patents.

Imagine a patent with no file history because there was no requirement for an examination. In other words, like a copyright, the only evidence of its existence would be a document of some kind describing the invention. Because there is no examination, there also would be no office

actions, and we would not sit around waiting a year or two to receive the views of an over-burdened examiner. There would therefore be no amendments to any claims. In turn, there could be no argument that an amendment to a claim eliminated the possibility of infringement under the doctrine of equivalents. Since there would be no office actions, there would not be any responses to office actions by an applicant. No statements by the applicant, other than those in the document, would exist.

Some nice consequences for everyone would flow from all this. Litigants could not second-guess everything the patent applicant and examiner did — or did not — say during prosecution. Of course, the applicant would not be able to point to anything the examiner did, either, so it works both ways. We'd all have to focus on just one document — the patent itself. How refreshing. Death to *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabu Shiki Co.*, 72 F.3d 857 (Fed. Cir. 1995), *on remand* 172 F.3d 1361 (Fed. Cir. 1999), *vacated* 187 F.3d 1381 (Fed. Cir. 1999), *on rehearing* 234 F.3d 558 (Fed. Cir. 2000), *reversed* 535 U.S. 722 (2002), *on remand* 344 F.3d 1359 (Fed. Cir. 2003). Wow. Wouldn't it be great never to have to write this citation again?

Nit-picking over the file history and its effect on the scope of claims is not the only thing that would end. The absence of a file history would put an end to the defense of inequitable conduct, too. Since there wouldn't be any statements made to an examiner, no examiner could be misled. Since there wouldn't be any examination of the patent, there would be no basis to say that a reasonable examiner might have rejected a claim had he been aware of information withheld by the patent applicant. There wouldn't be any more nonsense about how the applicant gave the examiner too much art, or too little art, or how the applicant mis-read a prior art reference, or how the applicant failed to relay an accused infringer's arguments to the examiner, or how the applicant failed to correct a mistake made by the examiner. As it now stands, the Patent Office isn't an aid to patentability: it is, rather, a means of constructing defenses to patent infringement. We might as well save the money and time that the defense of inequitable conduct wastes.

The absence of a file history would have another benefit for both patent owners and potential infringers, too. The patent would issue immediately. Everyone would know what it contained, because it would not be secret during a protracted examination. The disclosure benefits of a patent — probably the most important basis for granting the exclusivity to the inventor — would occur immediately. Knowledge would be in the public domain faster. The incentive to



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others to design around would arise sooner. The patent owner's term of exclusivity would begin, and end, sooner. If someone was infringing, a lawsuit could be filed sooner and, if a lawsuit was delayed, the period for affirmative defenses like laches would begin sooner.

If such a patent were enforced in a lawsuit, a judge and a jury would have to decide all the issues raised by the parties: infringement and validity. But judges and juries already have to do that anyway, because it is rare for a defendant in a patent suit to concede either infringement or validity. The usual answer contains allegations that the patent is not infringed, and that it is invalid for every reason in Title 35. Many judges are confronted with inequitable conduct defenses, too. Removing that defense, and eliminating the need to micro-scrutinize a file history, would reduce the burdens on a court and a jury.

There are advantages to an accused infringer, as well. For example, the presumption of validity would not arise in the absence of any examination or a completed opposition. That means the burden of proof on all issues is by a preponderance.

I am not saying no patent should ever be examined; but the time is right to begin thinking about an alternative option for inventors. I suspect that the notion of a patent opposition — advanced without a

clue about how to fund it by “reformers,” who often are more lobbyists than they are reformers — might be more palatable to patent applicants under different circumstances than we have now. The Patent Office might have a better chance of doing a competent job, so long as we remedy the problem with incompetent examiners, or the occasional renegade, as I described in my September, 2003 column, *Another Look at PTO Examiners*. It could do a faster job if its workload was reduced and its budget was at least maintained.

But any opposition has to have teeth in it. Courts don't have jurisdiction in the absence of harm or in the absence of a controversy. All parties to an opposition should have a stake in the outcome; otherwise, an opposition is a pointless waste of time and money. For example, suppose that a patent is issued without examination, and someone decides to oppose it. That opposer, as well as its representatives and affiants, ought to have the same duty of candor to the Patent Office as does the patent owner. Second, any opposer ought to be bound by the outcome with respect to validity and enforceability. Third, there should be no oppositions where the real party in interest is not revealed. Fourth, in any opposition, the patent owner should have the option to add new claims, and broader claims. The term of a patent shouldn't be hurt by an

opposition, either: the life of the patent ought to be extended by the time consumed by any opposition.

The “hole” I referred to in my previous article is our Patent Office, a hole made more tattered and enlarged by abuse, such as our tolerance of unreasonable, repetitive or baseless arguments; by the willingness of lawyers and experts to say whatever they want; and by decisions which have made patent law more complex and incomprehensible to everyone. Proposing solutions that require money that isn't there, or which depend on decisions by Congressional committees to alter their appropriation authority, will only turn the cold into pneumonia. Adding more jobs to the Patent Office's list of duties is no solution at all. We might as well ask a house painter climbing a ladder to the second story to haul three buckets of paint instead of two. We can ask all we want, but he can't do it. And, in the absence of better funding and better examiners, bleating about post-grant oppositions is inane. We need to think about the patch: better ways to improve our patent system, ways that do not depend on spending money that isn't there. It is not right to layer our patent system with cumbersome and useless procedures whose primary effect is to waste money and time. That damages the patent system for everyone. **IPT**